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10/30/2007
MSHDA-Legal

October 30, 2007

Ms. Mary Levine
Acting Director of Legal Affairs
Michigan State Housing Authority
735 E. Michigan Avenue
Lansing, MI 48909

Dear Ms. Levine:

This letter is in response to MSHDA's recently released scoring summary of LIHTC applications relating to the Draft 2008-2009 Qualified Allocation Plan (QAP) for Low Income Housing Tax Credits (LIHTC). One item of concern on the scoring summary is the awarding of additional 10-20 points to an applicant that chose to use MSHDA Direct Loan Finance Program. With MSHDA placing these points on their own financing mechanism it gives preferential treatment to MSHDA financing program and requires an applicant to choose MSHDA financing to maximize their LIHTC applications score. This seems to contradict what MSHDA is requiring on the equity portion of the application. For the equity portion MSHDA has stated that in order to encourage open competition from syndicators, it is requiring two proposals from equity providers on each application.

We recommend that MSHDA remove any preferential treatment for particular types of financing, and continue to encourage open and fair competition throughout the process.

Sincerely,

Louis M. Berra
Field Office Director